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April 17, 1989

16306

RECORDATION NO. FILED 1423

APR 24 1989 - 11 20 AM

FEDERAL EXPRESS

Ms. Noreta R. McGee, INTERSTATE COMMERCE COMMISSION
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

I have enclosed herewith an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Lease Agreement, a primary document, dated April 1, 1988.

The names and addresses of the parties to the document are as follows:

Lessor: The David J. Joseph Company
300 Pike Street
Cincinnati, Ohio 45202

Lessee: Canadian Pacific Limited
P.O. Box 6042
Windsor Station
Montreal, Quebec, Canada H3C 3E4

HULSE HAYS
CHARLES D. LINDBERG
JAMES R. BRIDGELAND, JR.
WILLIAM V. FINN
WILBUR L. COLLINS
L. CLIFFORD CRAIG
WILLIAM K. ENGEMAN
RONAL R. NEWBANKS
THOMAS D. HECKIN
J. ALAN LIPS
GERALD J. RAPIEN
HENRY C. KASSON
ROBERT E. RICH
JAMES M. ANDERSON
G. JACK DONSON, JR.
RICHARD D. SPOOR***
THOMAS C. HILL
THOMAS T. TERP
ROGER A. WEBER
ROSS E. WALES
JAMES M. HALL, JR.**
TIMOTHY J. QUINN
J. THOMAS CRUTCHER
DANIEL J. HOFFHEIMER
JOHN J. MCCOY
STEVEN N. STEIN
WILLIAM J. SEITZ III
VIRGINIA EMERSON HOPKINS*
MICHAEL J. ZAVATSKY

MURRAY S. MONROE
SYDNOR I. DAVIS
ROBERT G. STACHLER
FRANK H. STEWART
JAMES J. RYAN
ROBERT J. TOWNSEND
THOMAS Y. ALLMAN
JEROLD A. FINK
FREDERICK O. KIEL
MELVIN S. SHOTTEN
STEPHEN M. NECHEMIAS
G. DAVID SCHIERING
R. JOSEPH PARKER
TIMOTHY E. HOBERG
RICHARD S. ROBERTS
DAVID L. JOHNSON**
LAWRENCE J. BARTY
LAWRENCE D. WALKER
DONALD C. HESS
TIMOTHY P. NAGY**
W. STUART DORNETTE
FRANCIS V. GUDORF
EDWARD D. OILLER
TIMOTHY J. HURLEY
STEVEN W. WEEKS
TIMOTHY P. REILLY
JAMES H. BRUN
THOMAS R. SCHUCK
KIM K. BURKE

OP COUNSEL: JOHN W. HUDSON
J. MACK SWIGERT
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STEVEN J. SCHERER
R. JEFFREY SCHLOSSER***
PHILIP W. BOLUS*
SUSAN D. JANSEN
MICHAEL R. RICKMAN
TY M. VOTAW
MICHAEL C. LUEDER
M. BRADFORD SANDERS
MARY C. HENKEL
FREDERICK D. NELSON
NADYA CHANG
JOAN A. HEFFERNAN
ROBERT P. JOHNSON
KEVIN P. ROBERTS
CAROL S. WOOD

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MICHAEL A. BYERS**
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ROBERT S. CORKER
LAURA A. RINGENBACH
GREGORY L. HILBRICH
SCOTT P. KADISH
JENNIE P. MICHAELS
JEFFREY MARKS
ANNE C. BERRY**
D. SCOTT GURNEY
ERIC M. JENSEN
PATRICK J. MITCHELL
KAREN A. ROLICK
PHILIP P. SCHULTZ
MATTHEW B. HAMMONS
MARK A. PERGUSON**
JOHN HARLESTON
ROBERT W. McADAMS**
RONALD C. CHRISTIAN
JOHN C. KAIRIS
M. ALLISON THOMPSON
MARK J. RUEHLMANN
T. SCOTT BUCEY
ABRAM S. GORDON
GERALD S. GREENBERG
DOREEN CANTON
MICHAEL E. DEFRANK
CATHY E. HOLLEY
JENNIFER B. OLANO
MARCIA E. VOORHIS
JOSEPH R. PROPACI*

*WASHINGTON, D.C. OFFICE
**COLUMBUS, OHIO OFFICE
***COVINGTON, KENTUCKY OFFICE

NOT RECORDED UNIT

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Ms. Noreta R. McGee
April 17, 1989
Page 2

A description on the equipment covered by the document follows:

61 100-ton mill gondolas containing reporting marks in the series CPAA 346500-346561, 75 gondolas equipped with wood bunks containing reporting marks in the series CPAA 344800-344874, 94 plate "C" steel lined boxcars containing reporting marks in the series QC 210900-210993, 250 plate "B" boxcars containing reporting marks in the series QC 210600-210734 and QC 210500-210539 and QC 210775-210849, and 74 plat "B" boxcars containing reporting marks in the series QC 210540-210573 and QC 210735-210774.

A fee of \$13.00 is enclosed. Please return the stamped original, executed copy of the enclosed document and a stamped photostatic copy of this letter to:


Philip F. Schultz, Esq.
Taft, Stettinius & Hollister
1800 Star Bank Center
Cincinnati, Ohio 45202

A short summary of the document to appear in the index follows:

Lease Agreement between the David J. Joseph Company, 300 Pike Street, Cincinnati, Ohio 45202, as Lessor, and Canadian Pacific Limited, P.O. Box 6042, Windsor Station, Montreal, Quebec, Canada H3C 3E4, as Lessee, dated April 1, 1988 and covering 61 100-ton mill gondolas, 75 gondolas equipped with wood bunks, 94 plate "C" steel lined boxcars and 324 plate "B" boxcars.

Please call me if you should have any questions.

Yours truly,


Philip F. Schultz
Attorney for The David
J. Joseph Company

PFS/lsc
Enclosure

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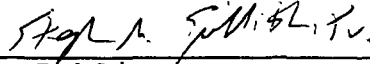
RECORDATION NO. _____ FILED 1425

APR 24 1989 - 11 20 AM

CERTIFICATE

INTERSTATE COMMERCE COMMISSION

The undersigned, Stephen M. Griffith, Jr., a notary public in and for the County of Hamilton, State of Ohio, hereby certifies that the copy of the document attached hereto has been compared with the original and that the undersigned has found the copy to be complete and identical in all respects to the original document.



Notary Public

STEPHEN M. GRIFFITH, JR., Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My Commission has no expiration
Date, Section 147.03 O.R.C.

APR 24 1989 -11 20 AM

LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS LEASE AGREEMENT (the "Agreement") is made as of this 1st day of April, 1988, between THE DAVID J. JOSEPH COMPANY, a Delaware corporation, 300 Pike Street, Cincinnati, Ohio 45202 as the lessor ("Lessor") and CANADIAN PACIFIC LIMITED, a Canadian corporation, P.O. Box 6042, Windsor Station, Montreal, Quebec, Canada H3C 3E4 as the lessee ("Lessee").

1. Scope of Agreement

A. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor upon the terms and conditions set forth herein, certain items of equipment of the reporting marks, number, type, construction and other description set forth in any Equipment Schedules executed by the parties concurrently herewith or from time to time hereafter, and which are attached hereto and made a part of this Agreement. The word "Schedule" as used herein includes the Equipment Schedule or Equipment Schedules executed concurrently herewith and attached hereto, and any additional Equipment Schedules that may from time to time hereafter be executed by the parties and attached hereto, as the same may be amended by the parties from time to time, each of which when signed by both parties and attached hereto shall be a part of this Agreement. The items of equipment described on any Schedule are hereinafter called collectively the "Cars" and individually a "Car".

B. It is the intent of the parties to this Agreement that Lessor or its assignees or successors shall at all times be and remain the owner and lessor of all Cars. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

This Agreement shall commence upon the execution hereof by both Lessor and Lessee and shall remain in full force until it is terminated as to all of the Cars as provided herein. The term of the Agreement with respect to each Car described on each Schedule shall commence at 12:01 a.m. on the Commencement Date of such Car specified in the Schedule, and shall expire as to all of the Cars described on any Schedule ~~on the Expiration Date specified in such~~ on such Schedule.

3. Delivery and Acceptance

A. Lessor shall, at Lessor's expense, clean and remark the Cars with the railroad markings of Lessee in compliance with all applicable regulations. After the Cars have been cleaned and remarked, each Car shall be delivered to Lessee's lines at a mutually agreeable interchange point(s) with all freight or other transportation charges to such point(s) to be for the account of Lessor. For purposes of delivering the Cars, Lessee's lines shall

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be deemed to include all railway lines which are owned, leased or controlled either directly or indirectly by Lessee. Lessee shall inspect each Car upon such Car's delivery to Lessee's lines and, if not acceptable to Lessee, Lessee shall notify Lessor in writing within ten (10) days of such delivery as to the reason why such Car is not acceptable and shall hold such Car for inspection and disposition by Lessor. For each Car that is not acceptable to Lessee, Lessor shall have the option to perform repairs to correct the condition(s) that made such Car unacceptable to Lessee or to replace such Car with another similar item of equipment or to delete the Car from the Schedule. For each Car so delivered and inspected by Lessee that Lessee finds acceptable, Lessee shall, within ten (10) days of the date such Car is delivered to Lessee's lines, sign and deliver to Lessor a certificate in the form attached hereto as Exhibit A, which certificate shall state the date upon which such Car was accepted by Lessee and that, upon delivery, each such Car met or exceeded specifications for interchange service as defined in the applicable rules and regulations of the Association of American Railroads ("AAR") and was in all respects acceptable to Lessee. Such certificate shall be conclusive as to the condition of the Cars at delivery, and acceptance by Lessee of any Car shall constitute delivery of such Car ("Delivery"). Lessor and Lessee shall cooperate with each other to facilitate the Delivery of each Car.


B. During the term of this Agreement, Lessor may, at its expense, replace any or all of the Cars with equipment of similar design, age and quality upon not less than sixty (60) days

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prior written notice from Lessor to Lessee; provided, however, that any such replacement shall not unreasonably prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor.

4. Disclaimer of Warranties

LESSOR HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE FITNESS FOR USE, DESIGN OR CONDITION OF THE CARS; THE QUALITY OR CAPACITY OF THE CARS; THE WORKMANSHIP IN THE CARS; THAT THE CARS WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTEE OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS; IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORN BY LESSEE. LESSOR IS NOT RESPONSIBLE OR LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGE TO OR LOSSES RESULTING FROM THE INSTALLATION, OPERATION OR USE OF THE CARS OR ANY CAR. Lessor hereby acknowledges that any manufacturers and/or sellers warranties are for the benefit of both Lessor and Lessee. Lessee's acceptance of the Cars shall be conclusive evidence as between Lessor and Lessee, that each Car described in any Lessee's certificate sent pursuant to Subsection 3A of this Agreement is in all of the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against Lessor based on all or any one of the foregoing matters.



5. Record Keeping


Lessee shall, at its expense, prepare and file all reports, returns and other documents relating to the registration, maintenance, use, operation, ownership, delivery, possession, rental, title or transportation of the Cars as are required or customarily prepared or filed in connection with railroad equipment of the type subject to this Agreement. Such matters shall include, but are not limited to: (i) preparation of appropriate AAR interchange agreements with respect to the Cars; (ii) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"); (iii) preparation of any reports as may be required from time to time by the ICC and any other regulatory agencies with respect to the Cars; (iv) car hire reconciliation, collection and receipt of revenues from other railroad companies; (v) preparation of records pertaining to maintenance and repair; and (vi) billing in accordance with the Interchange Rules and all other applicable rules and regulations. All record keeping performed by Lessee hereunder and all records of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Lessor from time to time during Lessee's regular business hours. Lessee shall, on a monthly basis and within thirty (30) days after the end of each month during which any Car is subject to this Agreement, send Lessor copies of Lessee's interchange records relating to the Cars. Lessee shall supply Lessor with copies of such other records as Lessor may

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reasonably request upon demand by Lessor. Lessee hereby authorizes Lessor to subscribe to the Train 71, 80 and 86 Advices for the Cars.

6. Maintenance


A. Except as otherwise provided herein, Lessor shall, at its expense, perform or have performed, or Lessee shall perform at Lessor's expense as required in Subsection 6C hereof, all maintenance and repairs to, and servicing of the Cars (exclusive of maintenance and repairs to, and servicing of "User Maintenance Items" described on the Schedule relating to such Cars) as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules; provided, however, that such repair, maintenance and servicing shall be performed at Lessee's expense in the event it was occasioned by the negligent act or omission of Lessee, or arises in those instances in which Rule 95B or any other Interchange Rule would assign responsibility to Lessee for the loss, damage, destruction or liability requiring such repair, maintenance or servicing. It shall be the obligation of Lessee to notify Lessor of the need for such maintenance, repairs and servicing, and unless or until Lessor has been notified of the need for same by Lessee, Lessor shall have no obligation to perform such maintenance, repairs and servicing. Lessor shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules or required by Federal Railroad Administration and/or National Transport Agency



Regulations and in full compliance with all applicable laws, rules and regulations; provided, however, that Lessor may, in good faith, contest the validity or application of any such law, rule or regulation, and provided further that Lessor may delete any Car from this Agreement if, in Lessor's sole opinion, the cost of such alterations, modifications or replacement of parts exceed the fair market value of such Car.

B. Lessee agrees, at its expense, to perform or cause to be performed all maintenance and repairs to, and all servicing of all User Maintenance Items as shall be necessary to maintain the User Maintenance Items and the Cars in good operating condition and repair and in accordance with the standards and specifications of the Interchange Rules. In addition, Lessee shall, at its expense, inspect all Cars interchanged to Lessee to insure that such Cars are in good working order and condition and Lessee shall be liable to Lessor for any repairs required for damage not noted at the time of interchange. Lessee shall use its best efforts to minimize, and shall repair at its sole expense, any damages to the Cars which may be caused by any shipper on Lessee's railroad lines.

C. Notwithstanding the provisions of Subsection 6A above, Lessee shall be obligated to perform, or cause to be performed, all maintenance, repairs and servicing within the scope of Exhibit B hereto, together with all maintenance, repairs and servicing to or of the Cars as are required by Subsection 6B of this Agreement to be performed at Lessee's expense; provided, however,



that, with respect to maintenance, repairs and servicing to be performed by Lessee at Lessor's expense, Lessee shall obtain Lessor's consent to same prior to commencing performance if the costs of such performance would exceed U.S. \$500. With respect to the Cars, any repairs performed by the Lessee or a foreign road at Lessor's expense shall be at a labor rate not to exceed the prevailing AAR labor rate unless a different labor rate is mutually agreed upon in writing by the parties hereto. Lessee will promptly notify Lessor of the need for any repairs, alterations, improvements or additions to any Car that are beyond the scope of Exhibit B attached hereto (the "Extensive Repairs"), and Lessee shall not make any such Extensive Repairs to any Car without Lessor's prior written consent. Lessee shall be liable to Lessor for any and all costs or losses incurred by Lessor due to any unnecessary or unauthorized repair, alteration, improvement or addition. Lessor shall have the right to cause Extensive Repairs to the Cars to be performed at an independent repair facility, or a location on Lessee's property which is mutually agreeable to Lessor and Lessee. Title to any alteration, improvement or addition shall be and remain with Lessor.

D. Lessee shall submit to Lessor a monthly report in complete AAR format for all repairs reported with respect to the Cars during the previous month. Lessee shall, and hereby does, guarantee that, upon termination or expiration of this Agreement, each Car shall meet or exceed specifications for interchange service as defined in the AAR Interchange Rules and Field Manual and shall be in a condition suitable for accepting the loads for which such Cars were originally designed.


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7. Insurance

During the term of this Agreement, Lessee shall insure or self-insure the Cars for physical damage and against liability imposed by law for injury to, or death of, persons or damage to or destruction of property arising out of the use and operation of the Cars to the same extent, in the same manner and according to the same policies and practices as is the Lessee's practice in respect to the Lessee's own equipment, as per details described on Exhibit C hereto.

8. Taxes

Lessee assumes responsibility for and agrees to save, protect, defend, hold harmless and indemnify Lessor and its successors and assigns from and against any and all local, state, provincial, federal, Canadian or foreign taxes, assessments, license fees, levies, impost or duties of any nature together with all charges, penalties, fines or interest thereon, which are imposed on, measured by or incurred in connection with: (1) the Cars, (2) the sale, lease, sublease or delivery of the Cars, (3) revenues earned by the Cars, including but not limited to mileage charges and/or car hire revenue, (4) this Agreement, and (5) the use, operation, possession, storage, ownership and operation of the Cars; excluding, however, taxes on paid-up capital or income earned of Lessor.



9. Storage

During the Term of this Agreement, as long as there is sufficient room on Lessee's railroad tracks, Lessee shall, at its expense and if deemed necessary by Lessor, store the Cars on its railroad tracks. In the event that Lessee's capacity to store any or all of the Cars on Lessee's railroad tracks is impaired at any time, then Lessee shall be responsible for the following with respect to each Car that Lessor directs to be stored: (i) all reasonable transportation costs incurred to move the Cars to a storage location; (ii) all reasonable transportation costs incurred in removing the Cars from the storage location; and (iii) the actual costs incurred for the storage. If Lessor pays for any costs referred to in this Section, Lessee shall reimburse Lessor for such cost within ten (10) days from Lessee's receipt of Lessor's invoice. Lessor shall assist Lessee so as to minimize Lessee's exposure under this Section.

10. Base Rent.

Lessee agrees to pay Lessor, at Lessor's offices located at 300 Pike Street, Cincinnati, Ohio 45202, the amount of "Base Rent" specified in any Schedule attached hereto with respect to the Cars described in such Schedule. Lessee shall be invoiced for said amount monthly and shall pay all such invoices within thirty (30) days from the invoice date.

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11. Additional Rent

A. In addition to Base Rent payable pursuant to Section 10 above, Lessee shall pay to Lessor, as additional rent hereunder, the monthly "Maintenance Factor" specified in any Schedule attached hereto with respect to the Cars described in such Schedule. On the first day of each Schedule Lease Year (with respect to the Cars described on each Schedule, defined as the consecutive twelve (12) month period commencing on the Commencement Date set forth on such Schedule, and each consecutive twelve (12) month period thereafter), the Maintenance Factor shall be adjusted by a percentage equal to the percentage change in the Repair Index (as defined on Exhibit D hereto) during each Schedule Lease Year; provided, however, that in no event shall the Maintenance Factor be less than that specified on the applicable Schedule. For example, the formula for computing the percentage increase in the Maintenance Factor as of the first day of any Schedule Lease Year shall be as follows:

Maintenance Factor for Schedule Lease Year =	Maintenance Factor specified on Schedule X	$\frac{\text{Repair Index on first day of Schedule Lease Year}}{\text{Repair Index on Commencement Date}}$
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B. At the end of each Schedule Lease Year, Lessee shall determine the number of miles that the Cars, in the aggregate, set forth on such Schedule traveled on average during such Schedule Lease Year, loaded and empty. If it is determined that the Cars traveled on average in excess of the "Maximum Mileage" set forth on

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the Schedule during such Schedule Lease Year, Lessee agrees to pay Lessor as additional rent for each Car an amount equal to the "Per Mile Rate" set forth on such Schedule for each mile in excess of the "Maximum Mileage" traveled on average by each such Car during such Schedule Lease Year.

C. In the event that Lessor is required by Section 6A of this Agreement to make, at its expense, any alterations, modifications or replacement of parts as a result of any change in any laws, rules or regulations applicable to the Cars in order to enable Lessee to use the Cars in full compliance with such laws, rules and regulations, Lessee shall pay to Lessor, as additional rent hereunder, an amount equal to the Improvement Rental set forth on the applicable Schedule per affected Car per month for each \$100 per Car, or portion thereof, expended by Lessor for such alterations, modifications or replacement of parts.

D. Lessee shall be invoiced ~~for amounts payable~~ pursuant to this Section 11 monthly at the same time Lessee is invoiced pursuant to Section 10, and Lessee shall pay all such invoices within thirty (30) days from the invoice date.

12. No Abatement, Reduction or Setoff

Notwithstanding anything contained herein to the contrary, except as expressly set forth in any Schedule, Lessee shall not be entitled to any abatement of Base Rent or additional rent, reduction thereof or setoff against Base Rent or additional rent, including but not limited to, abatements, reductions or setoffs due or

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alleged to be due to, or by reason of any past, present or future claims of Lessee against Lessor under this Agreement or otherwise; nor, except as expressly provided herein, shall this Agreement terminate; nor, shall the respective obligations of the Lessor or the Lessee otherwise be affected by reason of (i) any defect in, or damage to, or loss of possession or loss of use of, or destruction of all or any portion of the Cars from whatsoever cause, (ii) the prohibition of, or other restrictions against Lessee's use of all or any portion of the Cars, or the interference with such use by any person or entity, (iii) the invalidity or unenforceability or lack of due authorization of this Agreement or lack of right, power or authority of the Lessor to enter into this Agreement, (iv) any failure by the Lessor to perform any of its obligations herein contained, or (v) any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Base Rent, additional rent and other amounts payable by Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Agreement.

13. Casualty and Condemnation

A. Lessee assumes all risk of loss, damage, theft, condemnation or destruction of the Cars. Except as expressly provided in this Subsection 13A, no such loss, damage, theft, condemnation or destruction of the Cars, or any Car, in whole or in

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part, shall impair the obligations of Lessee under this Agreement, all of which shall continue in full force and effect. Whenever any Car shall be or become worn out, lost, stolen, destroyed or damaged, from neglect, abuse, fire, the elements or any other cause whatsoever, (except normal wear and tear resulting from the use of such Cars by Lessee in accordance with the terms and provisions of this Agreement), or taken or requisitioned for an indefinite period of time by condemnation or otherwise (all of the foregoing occurrences being hereinafter called "Casualty Occurrences") during the term of this Agreement, Lessee shall, promptly after it shall have been determined that such Car has suffered a Casualty Occurrence, but in any event within thirty (30) days after such Casualty Occurrence, notify Lessor in writing of such Casualty Occurrence. In the event any of the Cars suffer a Casualty Occurrence, Lessee, at Lessee's option and Lessee's sole expense, shall either (i) place the affected Cars in good repair, condition and working order; or (ii) pay to Lessor an amount equal to the accrued rental for such Cars to the date of the casualty occurrence plus a sum equal to the AAR Depreciated Value for such Cars as of the date of such Casualty Occurrence, in which case such Cars shall be deleted from this Agreement on the date of such Casualty Occurrence; provided, however, that in the event that Lessee does not pay the accrued rental and Depreciated Value for such Cars within sixty (60) days of the date of the Casualty Occurrence, rental will continue to be payable with respect to the Cars until the date of payment of the Depreciated Value of the Cars by Lessee

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to Lessor, and such Cars shall not be deleted from this Agreement until such payment is received by Lessor.

B. Lessor and Lessee agree to cooperate with and to assist each other in any reasonable manner requested to establish and pursue proper claims against parties responsible for loss or destruction of, or damage to, the Cars, provided, however, that this shall not affect their respective obligations under this Section 13.

C. In the event that during the term of this Agreement the use of any Car is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a stated period which does not exceed the term of this Agreement with respect to such Car, Lessee's obligations to pay all installments of Base Rent, additional rent and other sums shall continue for the duration of such requisitioning or taking. So long as no default shall have occurred and be continuing, Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for such requisitioning or taking of possession.

14. Possession and Use


A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any lease or financing agreement entered into by Lessor in connection

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with the acquisition of the Cars which are the subject of this Agreement. Accordingly, following notice to Lessee from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Agreement), and is continuing under such financing agreement, such party may require either or both that rentals and other sums due hereunder shall be paid directly to such party, and that the Cars immediately be returned to such party.

B. Lessee agrees that the Cars shall at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same are operated and in which the same may be located and in compliance with all lawful acts, rules, regulations and orders of any governmental bodies or other authorities having power to regulate or supervise the use of the Cars, except that either Lessor or Lessee may in good faith and by appropriate proceedings, ~~contest the application of any such act,~~ rule, regulation or order in any reasonable manner at the expense of the contesting party so long as Lessor's rights and interest in and to the Cars are not affected adversely.

C. The use of the Cars shall be limited to use by a rail common carrier in the type of "Service" specified in the applicable Schedule and the Cars shall always bear the reporting marks of a rail common carrier. Lessee shall not remove Lessee's railroad marks from any Car, or change any mark on any Car, without the prior written consent of Lessor. During the term of this Agreement, the Cars shall at all times be registered in the Official



Railway Equipment Registered and the UMLER. Lessee shall register each Car in UMLER in such a manner that Lessor, or its agent, is allowed access to any required information with regard to each Car. Lessee shall be responsible for any and all losses and expenses incurred by Lessor as the result of any improper UMLER registration.

D. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on, or with respect to the Cars or any interest therein, or in this Agreement or any Schedule hereto, except those created for the benefit of Lessor or any owner or secured party referred to in Subsection 14A hereinabove. Lessee will promptly, and in any event within thirty (30) days of the date the same arises, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim.

15. Default

A. The occurrence of any of the following events shall be an event of default:

(i) The non-payment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due;

(ii) The breach by Lessee of any other term, covenant, or condition of this Agreement, which breach is not cured within ten (10) days of the occurrence thereof;



(iii) The filing by or against the Lessee of any petition, or the initiation by or against the Lessee of any proceeding: (a) for any relief which includes, or might result in, any modification of the obligations of the Lessee or the Lessor hereunder; or (b) under any bankruptcy, reorganization, receivership, insolvency, moratorium or other law relating to the relief of debtors, the readjustment of indebtedness, financial reorganization, arrangements with creditors, compositions of indebtedness, or extensions of indebtedness;

(iv) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency;

(v) Any action by Lessee to discontinue rail service on a substantial portion of its track or to ~~or to~~ abandon any of its rail properties that affect the revenues earned by the Cars.

B. Upon the occurrence of any event of default hereunder, without limiting Lessor's rights and remedies otherwise provided by law which shall be available to Lessor in addition to the following rights and remedies (no right or remedy of Lessor being exclusive but all such rights and remedies being cumulative and available at all times to Lessor, and Lessor in all cases being entitled to recover all costs, expenses and attorneys' fees incurred

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by Lessor in enforcing its rights and remedies hereunder), Lessor may, at its option, do any one or more of the following:

(i) Proceed by any lawful means to enforce performance by Lessee of this Agreement or to recover damages for a breach hereof; and/or

(ii) By notice in writing to Lessee, terminate Lessee's right of possession and use of the Cars without terminating this Agreement, whereupon all right of Lessee to possess or use the Cars shall terminate; and thereupon Lessee shall, if directed by Lessor, unload and deliver the Cars within thirty (30) days after receipt of said notice to Lessor at an interchange point or points designated by Lessor and Lessor shall henceforth hold, possess and enjoy the same free from any right of Lessee. Lessor shall, in addition, have the right to ~~recover from Lessee~~ any ~~amount~~ and all rental and other amounts which under the terms of this Agreement may then be due or which have accrued to that date, together with Lessor's costs and expenses, including reasonable attorneys' fees, incurred in securing such enforcement hereof, and shall be entitled to pursue any and all other remedies to which it may be entitled at law or in equity; and/or

(iii) By notice in writing to Lessee, terminate this Agreement and all of Lessee's rights hereunder,

whereupon Lessee shall forthwith deliver possession of the Cars to Lessor in accordance with Section 16 hereof.

16. Return of the Cars

A. Upon the expiration of the Agreement pursuant to Section 2 hereof, or upon the early termination of this Agreement, with respect to any Car, Lessee shall promptly return such Car to Lessor as follows:

(i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any and all transportation costs and risks of loss or liability incurred in connection with, or associated with, moving such Cars to a point on Lessee's railroad tracks designated by Lessor and within the "Region" specified on the applicable Schedule. Lessee shall, at Lessee's risk and expense and at Lessor's option, provide Lessor, with up to ninety (90) days free storage on its railroad tracks for any expired or terminated Car in order for Lessor to arrange for the disposal thereof, after which time any storage will be provided at Lessee's customary rate. Lessee's railroad tracks shall be deemed to include all tracks which are owned, leased or controlled either directly or indirectly by Lessee.

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(ii) Lessee or a contractor chosen by Lessee shall, at Lessee's expense, remark the Cars to Lessor's specifications and as set forth in Subsection 16B of this Agreement. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall, at Lessor's option, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment.

(iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing and transporting each Car to such location shall be borne by Lessee if this Agreement is terminated early due to the provisions of Section 15 hereof. Otherwise, the costs of transporting each Car from the nearest point on Lessee's tracks to the location designated by Lessor shall be borne by Lessor. Lessee shall, in any event, bear the expense of remarking such Cars.

B. Remarking, with respect to each Car, shall include the following: (a) removal of existing markings from the Car; (b) complete cleaning of the Car subsequent to the removal of markings; (c) application of new markings reasonably designated by Lessor; and (d) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Subsection.

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17. Indemnities

A. LESSEE SHALL INDEMNIFY AND SAVE HARMLESS LESSOR FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, AWARDS, ACTIONS, LOSS, DAMAGES, EXPENSES, INJURIES AND PROCEEDINGS OF WHATSOEVER NATURE AND BY WHOMSOEVER MADE, BROUGHT OR PROSECUTED, WHICH RELATE TO, ARISE OUT OF, OR ARE INCURRED IN CONNECTION WITH, THE OPERATION, USE, POSSESSION OR CONTROL OF THE CARS OR THE BREACH OF THIS AGREEMENT BY LESSEE: PROVIDED, HOWEVER, THAT WHEN LESSOR'S EMPLOYEES AND/OR AGENTS ARE ON THE PREMISES OF LESSEE TO INSPECT THE CARS OR THE RECORDS OF LESSEE PURSUANT TO SECTIONS 5, 6 OR 19 HEREOF, LESSEE SHALL BEAR RESPONSIBILITY FOR ANY LOSS, DAMAGES, EXPENSES OR INJURIES, INCLUDING INJURIES RESULTING IN DEATH, TO SUCH PERSONS TO THE EXTENT ONLY THAT LESSEE, ITS EMPLOYEES AND/OR AGENTS CAUSE OR CONTRIBUTE THERETO.

B. SUBJECT TO, AND EXCEPT AS PROVIDED IN AND UNDER SUBSECTION 17A ABOVE, AND EXCEPT FOR THOSE CLAIMS, CAUSES OF ACTION, DAMAGES, LIABILITIES, COSTS AND EXPENSES FOR WHICH LESSEE IS TO BE RESPONSIBLE AS SET FORTH IN THIS AGREEMENT, LESSOR SHALL SAVE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS LESSEE FROM AND AGAINST ANY AND ALL LOSS, DAMAGE OR DESTRUCTION OF OR TO THE CARS, USUAL WEAR AND TEAR EXCEPTED, AND ANY CLAIM, CAUSE OF ACTION, LIABILITY, COST OR EXPENSE WHICH MAY ASSERTED AGAINST LESSEE, WHICH ARISES OUT OF OR IS INCURRED IN CONNECTION WITH ANY INSPECTION OF THE CARS OR THE RECORDS OF LESSEE PURSUANT TO SECTIONS 5, 6 OR 19 OF THIS AGREEMENT OR THE BREACH OF THIS AGREEMENT BY LESSOR; PROVIDED, HOWEVER, THAT THE FOREGOING INDEMNITY IS LIMITED TO THE EXTENT TO

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WHICH THE LESSOR, ITS EMPLOYEES AND/OR AGENTS CAUSED OR CONTRIBUTED TO THE CAUSE OF ANY SUCH LOSS, DAMAGE, DESTRUCTION, LIABILITY, COST OR EXPENSE.

18. Representation, Warranties and Covenants

Lessee, on the date hereof and on the date of Delivery of each Car that becomes subject hereto, represents and warrants to Lessor as follows:

A. Lessee is a corporation duly organized, validly existing, in good standing under the laws of Canada pursuant to which it is incorporated and, insofar as is material to Lessor's rights under this Agreement, has the corporate power, authority and, is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

B. The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

C. There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material

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adverse effect on the business, properties and assets, or condition, financial or otherwise, of Lessee such that Lessee's ability to perform its obligations hereunder would be materially and adversely affected.

D. There is no fact which Lessee has not disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

19. Inspection

Lessor shall have the right to inspect any Car located on Lessee's lines to ensure Lessee's compliance with its obligations hereunder at any time upon prior reasonable notice to Lessee. Lessor shall have the right to inspect any Car which is not located on Lessee's lines without providing prior notice to Lessee. Lessor shall not unreasonably interfere with the movement of any Car as a result of such inspection.

20. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the

parties hereto and their respective successors and assigns, provided, however, that Lessee may not without the prior written consent of Lessor, assign or transfer this Agreement or any of its rights hereunder, by operation of law or otherwise, or sublease any Cars to any party, and any purported assignment, transfer or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Lessor or its assignees in connection with the acquisition or financing or use of the Cars in order to confirm the financing parties' interest in and to the Cars, this Agreement and Schedules hereto and to confirm the subordination provisions contained in Section 14 of this Agreement.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint sale or venture or partnership is being created. Notwithstanding anything contained herein to the contrary, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars, except as a lessee only.

D. No failure or delay by Lessor to exercise any right, power or remedy available to Lessor shall constitute a waiver thereof or otherwise affect or impair any right, power or remedy available to Lessor, nor shall any waiver or indulgence by Lessor or any partial or single exercise of any right, power, or remedy preclude any other or further exercise thereof or the exercise of

any other right, power or remedy. No waiver shall be effective unless in writing and signed by Lessor.

E. This Agreement shall be governed by and construed according to the laws of the State of Ohio.

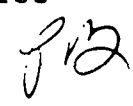
F. Lessee shall notify Lessor as soon as is practicable of any accident connected with the malfunctioning or operation of the Cars, including in such report, where available, the time, place and nature of the accident and the damage caused.

G. Lessee shall notify Lessor in writing within five (5) days after any lien, encumbrances, security interest or other judicial process shall attach to any Car.

H. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States or Canadian mail, postage prepaid, certified or registered, or when transmitted and received by telex, addressed to the president of the other party at the address set forth herein or at such other address as to which any party shall notify the other party.

I. The covenants, obligations and liabilities of Lessee hereunder shall survive the expiration or earlier termination of this Agreement.

J. This Agreement represents the entire agreement of the parties and supersedes all prior arrangements, agreements, representations and understandings of the parties, whether written or oral. This Agreement shall not be modified, altered, or amended, except by an agreement in writing signed by both of the parties hereto.



K. In the event that Lessor shall bring any action, proceeding, or suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such action, proceeding or suit Lessor may recover reasonable expenses, including, but not limited to, attorney's fees, and the amount thereof shall be included in such judgment. In the event that Lessor has incurred any expenses and attorney's fees in the enforcement of any of its rights hereunder without having brought any action, proceeding or suit to so enforce any such right, then Lessor may recover from Lessee any reasonable expenses so incurred, including, but not limited to, attorney's fees.

L. No recourse shall be had in any respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, past, present or future of the Lessor, or against any principal or principals (disclosed or undisclosed) of the Lessor. This Agreement is freely assignable by Lessor, and upon delivery to Lessee of notice of any such assignment, the term "Lessor" as used herein shall refer to such assignee, and, except as specifically set forth in such assignment, the David J. Joseph Company shall thereupon be relieved of all of its liabilities and obligations under this Agreement.

M. To the extent there exists any conflict between the terms and provisions of this Agreement and the terms and provisions of the Interchange Rules or the Codes of Car Hire and Car Service Rules of the Association of American Railroads, this Agreement shall control.

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N. This Agreement may be executed in several counterparts, each of which so executed shall be deemed an original, and such counterparts together shall constitute but one and the same instrument.

O. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

P. All amounts payable by Lessee to Lessor pursuant to this Agreement which are not paid when due shall bear interest from due date until paid at an interest rate equal to the lesser of (i) fifteen percent (15%) per annum, or (ii) the maximum interest rate permitted by applicable law.

Q. If the Lessee shall fail to comply with any of its covenants herein contained, the Lessor may, but shall not be obligated to, make advances to perform the same and take all such action as may be necessary to obtain such performance. Any payment so made by Lessor and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to Lessor upon demand as additional rent hereunder.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date set forth above.

Signed and Acknowledged in
the presence of:

CANADIAN PACIFIC LIMITED

BY: *J. L. [Signature]*

Title: Vice-President

Date: DEC 14 1988

[Signature]
ASSISTANT SECRETARY

THE DAVID J. JOSEPH COMPANY

Signed and Acknowledged in
the presence of:

Joe R. [Signature]

Thomas G. [Signature]

BY: *James A. [Signature]*

Title: CHAIRMAN

Date: Dec. 29, 1988

[Signature]

STATE OF Ohio)
COUNTY OF Hamilton) SS:

On this 29th day of December, 1988, before me personally appeared James R. Butch, to me personally known, who being by me duly sworn says that such person is Chairman of The David J. Joseph Company, that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



Sandra L. Reuter
Notary Public

SANDRA L. REUTER
Notary Public, State of Ohio
My Commission Expires Nov. 18, 1990

PROVINCE OF QUEBEC)
COUNTY OF HOCHELAGA) SS:

On this 19th day of DECEMBER, 1988, before me personally appeared P. BERNARD, to me personally known, who being by me duly sworn says that such person is Assistant Secretary of Canadian Pacific Limited, that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.

Andee Harte
Notary Public, in and for the
Province of Quebec, Canada.
My commission is for life.

EXHIBIT A

LESSEE'S CERTIFICATE OF ACCEPTANCE

The undersigned, _____, the duly authorized _____ of Canadian Pacific Limited (the "Company"), hereby certifies to The David J. Joseph Company ("DJJ") that the _____ bearing the car number(s) listed below (the "Cars") meet or exceed specifications for interchange service as defined in the applicable rules and regulations of the Association of American Railroads and are in all respects acceptable to the Company. This certificate is being delivered pursuant to Section 3 of that certain Lease Agreement dated April 1, 1988, by and between the Company and DJJ.

IN WITNESS WHEREOF, the undersigned, being the _____ of the Company, does hereunto set his hand as of this ____ day of _____, 19__, on behalf of the Company.

CANADIAN PACIFIC LIMITED

BY: _____
Print Name: _____
Print Title: _____

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HCHB

EXHIBIT B

Running Repairs

Air Brakes

Air Hose

Air Hose Supports

Angle Cocks

Brake Connecting Pin

Brake Head Wear Plates

Brake Shoes

Brake Shoe Keys

Center Plates

Cotter Keys

Couplers

Coupler Carriers

Door Hardware

Draft Gears

Grab Irons

Hand Brakes

Knuckles/Pins

Operating Levers in Brackets

Roller Bearing Adapters

Sill Steps

Slack Adjuster

Train Line

Truck Springs

Wheels

Yokes



EXHIBIT C

The following insurances will be carried by Canadian Pacific Limited on freight cars under lease from The David J. Joseph Company:

ALL RISKS OF PHYSICAL LOSS OF OR DAMAGE TO THE EQUIPMENT

"All Risks" of physical loss or damage under policies with AMERICAN HOME ASSURANCE COMPANY, and others, with a blanket limit of \$60 million any one loss, subject to a self-retention of \$2 million any one loss.

Loss, if any, payable to Canadian Pacific Limited and/or The David J. Joseph Company, as their respective interests may appear.

Period of Insurance: December 31, 1987 to December 31, 1988
(in the course of renewal)

EXCESS THIRD PARTY LIABILITY INSURANCE RAILROAD OPERATIONS

Legal liability for bodily injury and property damage under policies with Lloyd's and others with inclusive limit of \$20 million any one occurrence excess of a self-retention of \$5 million any one occurrence.

This coverage protects The David J. Joseph Company in accordance with the obligations assumed by Canadian Pacific Limited under the lease agreement.

Period of Insurance: May 29, 1988 to May 29, 1989

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NOTICE OF CANCELLATION

Thirty (30) days prior written notice shall be given The David J. Joseph Company in the event the above coverages are materially altered or cancelled or expire.

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EXHIBIT D

REPAIR INDEX = 8 x Cost Per RAC Job Code 1840
+ 10 x Cost Per RAC Job Code 4450
+ .5 x Cost of Wheel Turning
+ .5 x Cost of Wheel Refurbishment

- A) "RAC Job Code" means the Job Code as published quarterly by the Railway Association of Canada (RAC) in the "Car Repair Billing - Billing Regulation Price Matrices" and any revisions, amendments and supplements thereto issued from time to time by the RAC.
- B) "Cost of Wheel Turning" means two (2) times RAC Job Code 2816 (3) minus two (2) times RAC Job Code 2816 (avg. credit) plus RAC Job Code 3160.
- C) "Cost of Wheel Refurbishment" means two (2) times RAC Job Code 2816 (3) minus two (2) times RAC Job Code 2816 (avg. credit) plus RAC Job Code 3180 plus two (2) times RAC Job Code 3085.

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Equipment Schedule No. 1
to Lease Agreement

This Equipment Schedule is attached to and made part of that certain Lease Agreement dated as of April 1, 1988, (the "Agreement"), between The David J. Joseph Company as Lessor and Canadian Pacific Limited as Lessee. This Equipment Schedule is hereby made a part of and incorporated in the Agreement. The Agreement is hereby amended, modified and supplemented by the addition of the provisions set forth below. In the event of any conflict between any of the provisions of this Equipment Schedule and the provisions of the Agreement, the provisions of this Equipment Schedule shall control. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Agreement.

Description of Cars:	52'6" (20) and 51'0" (41), 100-ton mill gondolas
Door Opening Width:	N/A
Overall Length:	56'4" (20) and 53'11" (41)
Inside Length:	52'6" (20) and 51'0" (41)
Inside Width:	9'6"
Inside Height:	4'6" (20) and 4'0" (41)
AAR Car Code:	GB
Cubic Capacity:	2,200 cu. ft. (20) and 1,939 cu.ft. (41)
Number of Cars:	61
Reporting Marks:	CPAA 346500-346561
COMMENCEMENT DATE:	May 1, 1988
EXPIRATION DATE:	March 31, 1989
BASE RENT:	U.S. \$
ROLLOVER PROVISION:	5 years upon the same terms and conditions as set forth herein except Base Rental will be \$ (U.S.) and the Expiration Date will be March 31, 1994
MAINTENANCE FACTOR:	N/A
MAXIMUM MILEAGE:	25,000
PER MILE RATE:	U.S. \$
IMPROVEMENT RENTAL:	N/A
USER MAINTENANCE ITEMS:	All maintenance and repairs to, and servicing of the Cars
SERVICE:	U.S. international service to the extent commercially viable.
REGION:	To be designated by Lessor.

ADDITIONAL PROVISIONS

With respect to the Cars described on this Equipment Schedule No. 1, Lessee shall be responsible for, and shall perform all of Lessor's obligations described in Section 6 of the Agreement, in each case at Lessee's sole cost and expense.

The Rollover Provision set forth above describes the terms and provisions pursuant to which the lease of the Cars described in this Equipment Schedule No. 1 will automatically be extended for a period of five (5) years unless either party gives written notice to the other of its desire to allow the term of this Equipment Schedule No. 1 to expire at least ninety (90) days prior to the Expiration Date set forth on page 1 hereof, in which case the term of the lease of the Cars described on this Equipment Schedule No. 1 will expire on said Expiration Date in accordance with the terms and provisions of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Equipment Schedule as of the 28 day of December, 1988.

Signed and Acknowledged in
the presence of:

[Signature]

Signed and Acknowledged in
the presence of:

[Signature]
[Signature]

CANADIAN PACIFIC LIMITED

BY: [Signature]

Title: Vice-President

THE DAVID J. JOSEPH COMPANY

BY: [Signature]

Title: CHAIRMAN

for the Chief of Transportation

[Signature]

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this 29th day of December, 1988, before me personally appeared James R. Buck, to me personally known, who being by me duly sworn says that such person is Chairman of The David J. Joseph Company, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



Sandra L. Reuter
Notary Public

SANDRA L. REUTER
Notary Public, State of Ohio
My Commission Expires Nov. 18, 1990

PROVINCE OF QUEBEC)
) SS:
COUNTY OF HOCHELAGA)

On this 28th day of December, 1988, before me personally appeared Paul Bernadet, to me personally known, who being by me duly sworn says that such person is Asst. Secretary of Canadian Pacific Limited, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.


Paul Bernadet

Notary Public, in and for the
Province of Quebec, Canada.
My commission is for life.

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Equipment Schedule No. 2
to Lease Agreement

This Equipment Schedule is attached to and made part of that certain Lease Agreement dated as of April 1, 1988, (the "Agreement"), between The David J. Joseph Company as Lessor and Canadian Pacific Limited as Lessee. This Equipment Schedule is hereby made a part of and incorporated in the Agreement. The Agreement is hereby amended, modified and supplemented by the addition of the provisions set forth below. In the event of any conflict between any of the provisions of this Equipment Schedule and the provisions of the Agreement, the provisions of this Equipment Schedule shall control. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Agreement.

Description of Cars:	52'6" gondolas equipped with wood bunks
Door Opening Width:	N/A
Overall Length:	59'11" (50) and 59'5" (25)
Inside Length:	52'6"
Inside Width:	9'6" (50) and 8'10" (25)
Inside Height:	3'10" (50) and 4'6" (25)
AAR Car Code:	GBS
Cubic Capacity:	1,900 cu. ft. (50) and 2,244 cu.ft. (25)
Number of Cars:	75
Reporting Marks:	CPAA 344800-344874
COMMENCEMENT DATE:	May 1, 1988
EXPIRATION DATE:	March 31, 1989
BASE RENT:	U.S. \$
ROLLOVER PROVISION:	3 years upon the same terms and conditions as set forth herein except Base Rental will be \$ (U.S.) and the Expiration Date will be March 31, 1992.
MAINTENANCE FACTOR:	N/A
MAXIMUM MILEAGE:	25,000
PER MILE RATE:	U.S. \$
IMPROVEMENT RENTAL:	N/A
USER MAINTENANCE ITEMS:	All maintenance and repairs to, and servicing of the Cars
SERVICE:	U.S. international service to the extent commercially viable.
REGION:	To be designated by Lessor. 

ADDITIONAL PROVISIONS

With respect to the Cars described on this Equipment Schedule No. 2, Lessee shall be responsible for, and shall perform all of Lessor's obligations described in Section 6 of the Agreement, in each case at Lessee's sole cost and expense.

The Rollover Provision set forth above describes the terms and provisions pursuant to which the lease of the Cars described in this Equipment Schedule No. 2 will automatically be extended for a period of three (3) years unless either party gives written notice to the other of its desire to allow the term of this Equipment Schedule No. 2 to expire at least ninety (90) days prior to the Expiration Date set forth on page 1 hereof, in which case the term of the lease of the Cars described on this Equipment Schedule No. 2 will expire on said Expiration Date in accordance with the terms and provisions of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Equipment Schedule as of the 28 day of December, 1988.

Signed and Acknowledged in
the presence of:

[Signature]

Signed and Acknowledged in
the presence of:

[Signature]
[Signature]

CANADIAN PACIFIC LIMITED

BY: [Signature]

Title: Vice-President

ASSISTANT SECRETARY

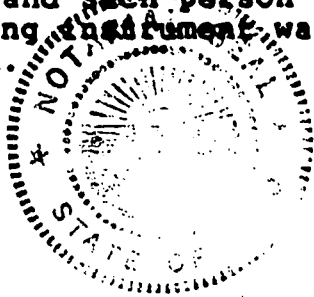
THE DAVID J. JOSEPH COMPANY

BY: [Signature]

Title: Chairman

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this 29th day of December, 1988, before me personally appeared James R. Buck, to me personally known, who being by me duly sworn says that such person is Chairman of The David J. Joseph Company, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



Sandra L. Reuter
Notary Public

SANDRA L. REUTER
Notary Public, State of Ohio
My Commission Expires Nov. 18, 1990

PROVINCE OF QUEBEC)
) SS:
COUNTY OF HOCHELAGA)

On this 28th day of December, 1988, before me personally appeared Paul Bernadet, to me personally known, who being by me duly sworn says that such person is Asst. Secretary of Canadian Pacific Limited, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.

Andee Frank
Notary Public, in and for the
Province of Quebec, Canada.
My commission is for life.

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**Equipment Schedule No. 3
to Lease Agreement**

This Equipment Schedule is attached to and made part of that certain Lease Agreement dated as of April 1, 1988, (the "Agreement"), between The David J. Joseph Company as Lessor and Canadian Pacific Limited as Lessee. This Equipment Schedule is hereby made a part of and incorporated in the Agreement. The Agreement is hereby amended, modified and supplemented by the addition of the provisions set forth below. In the event of any conflict between any of the provisions of this Equipment Schedule and the provisions of the Agreement, the provisions of this Equipment Schedule shall control. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Agreement.

Description of Cars:	50' 7", 70-ton Plate "C" steel lined boxcars
Door Opening Width:	9' 0 " non-flush doors
Overall Length:	55' 7"
Inside Length:	50' 7 "
Inside Width:	9' 6 "
Inside Height:	10' 10 "
AAR Car Code:	XP
Cubic Capacity:	5,200 cu. ft.
Number of Cars:	94
Reporting Marks:	QC 210900-210993
COMMENCEMENT DATE:	December 1, 1988
EXPIRATION DATE:	November 30, 1998
BASE RENT:	U.S. \$
MAINTENANCE FACTOR:	U.S. \$
MAXIMUM MILEAGE:	25,000
PER MILE RATE:	U.S. \$
IMPROVEMENT RENTAL:	U.S. \$
USER MAINTENANCE ITEMS:	Doors, doorway areas and door hardware.
SERVICE:	See Additional Provisions.
REGION:	To be designated by Lessor.

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ADDITIONAL PROVISIONS

Lessee agrees to use its best efforts to cause the Cars to be used in international service predominately in the United States during the entire term of this Equipment Schedule No. 3.

In the event any Car described on this Equipment Schedule No. 3 is in need of repairs of the type described in paragraph 1 of AAR Rule 108 as written in the 1988 Field Manual of the AAR Interchange Rules (hereinafter "Rule 108"), Lessee shall promptly notify Lessor of the need for such repairs (such repairs being hereinafter referred to as "Bad Order Repairs"), which notice shall be accompanied by all estimates, lists, certificates and other information described in paragraph 2 of Rule 108 (hereinafter the "Bad Order Information"). If the Bad Order Information sent by Lessee to Lessor is accurate and complete in all respects, and if neither Lessee nor any third party is responsible for making the Bad Order Repairs, Lessor agrees that rental payable with respect to any Car undergoing Bad Order Repairs shall be deferred for a period of time commencing on the 30th day following the date upon which such Car was delivered to, and accepted by, a repair facility for completion of the Bad Order Repairs and ending on the date such repair facility completes the Bad Order Repairs on the Car; provided, however, that at Lessor's option, the Expiration Date set forth on page 1 of this Equipment Schedule No. 3 shall be extended by a number of days equal to the quotient (rounded up to the nearest whole number) obtained by dividing (a) the aggregate number of days during the term of this Equipment Schedule No. 3 for which rent was deferred for any Car pursuant to this paragraph, by (b) the total number of Cars leased by Lessor to Lessee pursuant to this Equipment Schedule No. 3 which have not suffered a Casualty Occurrence as of the date set forth herein as the Expiration Date of the term. Lessor may exercise its option to extend the Expiration Date of the term of the Lease of the Cars described on this Equipment Schedule No. 3 by giving Lessee written notice of its intention to do so at any time on or before the date set forth herein as the Expiration Date of the term.

Lessee certifies that all representations and warranties of Lessee in the Agreement are true on the date hereof as though such representations and warranties were made on the date hereof.

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IN WITNESS WHEREOF, the parties hereto have executed this Equipment Schedule as of the 28 day of December, 1988.

Signed and Acknowledged in
the presence of:

[Signature]

CANADIAN PACIFIC LIMITED

BY:

Title:

Vice-President

Signed and Acknowledged in
the presence of:

James R. McIntyre
Thomas G. Newton

BY:

Title:

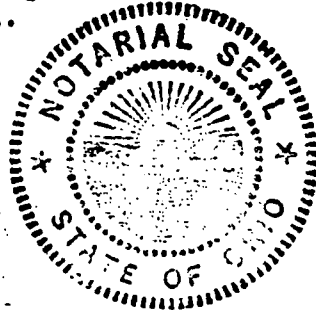
CHAIRMAN

STATE OF OHIO)

SS:

COUNTY OF HAMILTON)

On this 24th day of December, 1988, before me personally appeared James R. McIntyre, to me personally known, who being by me duly sworn says that such person is Chairman of The David J. Joseph Company, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



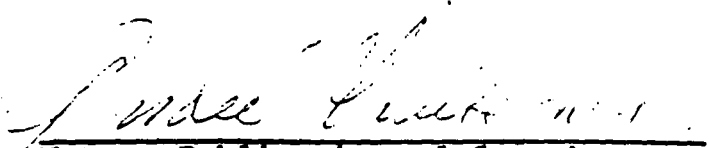
Sandra L. Deuter
Notary Public

SANDRA L. DEUTER
Notary Public, State of Ohio
My Commission Expires 12/31/1991

PB

PROVINCE OF QUEBEC)
) 88:
COUNTY OF HOCHELAGA)

On this 28th day of December, 1988, before me personally appeared Paul Bernadet, to me personally known, who being by me duly sworn says that such person is Asst. Secretary of Canadian Pacific Limited, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public, in and for the
Province of Quebec, Canada.
My commission is for life.

Equipment Schedule No. 4
to Lease Agreement

This Equipment Schedule is attached to and made part of that certain Lease Agreement dated as of April 1, 1988, (the "Agreement"), between The David J. Joseph Company as Lessor and Canadian Pacific Limited as Lessee. This Equipment Schedule is hereby made a part of and incorporated in the Agreement. The Agreement is hereby amended, modified and supplemented by the addition of the provisions set forth below. In the event of any conflict between any of the provisions of this Equipment Schedule and the provisions of the Agreement, the provisions of this Equipment Schedule shall control. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Agreement.

Description of Cars:	50' 6", 70-ton Plate "B" boxcars
Door Opening Width:	10' 0" non-flush doors
Overall Length:	55' 7" (210) and 55' 3" (40)
Inside Length:	50' 6"
Inside Width:	9' 6"
Inside Height:	10' 7"
AAR Car Code:	XP (210) and XF (40)
Cubic Capacity:	5,080 cu. ft. (210) and 5,037 cu. ft. (40)
Number of Cars:	250
Reporting Marks:	QC 210600-210734 and QC 210500-210539 and QC 210775-210849
COMMENCEMENT DATE:	December 20, 1988
EXPIRATION DATE:	December 20, 1998
BASE RENT:	U.S. \$
MAINTENANCE FACTOR:	U.S. \$
MAXIMUM MILEAGE:	25,000
PER MILE RATE:	U.S. \$
IMPROVEMENT RENTAL:	U.S. \$
USER MAINTENANCE ITEMS:	Doors, doorway areas and door hardware.

PB

ADDITIONAL PROVISIONS

Lessee agrees to use its best efforts to cause the Cars to be used in international service predominately in the United States during the entire term of this Equipment Schedule No. 4.

Lessee shall indemnify and hold harmless Lessor from and against taxes withheld from rentals payable to Lessor with respect to the Cars during the entire term of this Equipment Schedule No. 4, but only to the extent indicated below with respect to the periods during the term indicated below:

<u>Withholding Indemnification Percentage</u>	<u>Time Period</u>
100%	12/20/88-6/19/90
30%	6/20/90-12/19/92
20%	12/20/92-12/19/95
10%	12/20/95-12/20/98

In the event any Car described on this Equipment Schedule No. 4 is in need of repairs of the type described in paragraph 1 of AAR Rule 108 as written in the 1988 Field Manual of the AAR Interchange Rules (hereinafter "Rule 108"), Lessee shall promptly notify lessor of the need for such repairs (such repairs being hereinafter referred to as "Bad Order Repairs"), which notice shall be accompanied by all estimates, lists, certificates and other information described in paragraph 2 of Rule 108 (hereinafter the "Bad Order Information"). If the Bad Order Information sent by Lessee to Lessor is accurate and complete in all respects, and if neither Lessee nor any third party is responsible for making the Bad Order Repairs, Lessor agrees that rental payable with respect to any Car undergoing Bad Order Repairs shall be deferred for a period of time commencing on the 30th day following the date upon which such Car was delivered to, and accepted by, a repair facility for completion of the Bad Order Repairs and ending on the date such repair facility completes the Bad Order Repairs on the Car; provided, however, that at Lessor's option, the Expiration Date set forth on page 1 of this Equipment Schedule No. 4 shall be extended by a number of days equal to the quotient (rounded up to the nearest whole number) obtained by dividing (a) the aggregate number of days during the term of this Equipment Schedule No. 4 for which rent was deferred for any Car pursuant to this paragraph, by (b) the total number of Cars leased by Lessor to Lessee pursuant to this Equipment Schedule No. 4 which have not suffered a Casualty Occurrence as of the date set forth herein as the Expiration Date of the term. Lessor may exercise its option to extend the Expiration Date of the term of the Lease of the Cars described on this Equipment Schedule No. 4 by giving Lessee written notice of its intention to do so at any time on or before the date set forth herein as the Expiration Date of the term.

FB

Lessee certifies that all representations and warranties of Lessee in the Agreement are true on the date hereof as though such representations and warranties were made on the date hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Equipment Schedule as of the 28 day of December, 1988.

Signed and Acknowledged in
the presence of:

[Signature]

CANADIAN PACIFIC LIMITED

BY: [Signature]

Title: Vice-President

[Signature]
ASSISTANT SECRETARY

THE DAVID J. JOSEPH COMPANY

Signed and Acknowledged in
the presence of:

[Signature]
[Signature]

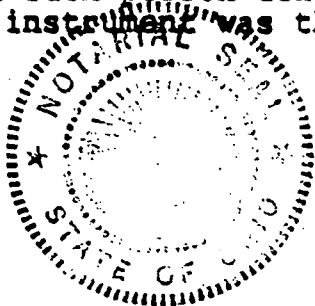
BY: [Signature]

Title: Chairman

[Signature]

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this 29th day of December, 1988, before me personally appeared James R. Ruth, to me personally known, who being by me duly sworn says that such person is Chairman of The David J. Joseph Company, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



Sandra L. Reuter
Notary Public

SANDRA L. REUTER
Notary Public, State of Ohio
My Commission Expires Nov. 18, 1990

PROVINCE OF QUEBEC)
) SS:
COUNTY OF HOCHELAGA)

On this 28th day of December, 1988, before me personally appeared Paul Bernadet, to me personally known, who being by me duly sworn says that such person is Asst. Secretary of Canadian Pacific Limited, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.

Antee Krack notary
Notary Public, in and for the
Province of Quebec, Canada.
My commission is for life.

**Equipment Schedule No. 3
to Lease Agreement**

This Equipment Schedule is attached to and made part of that certain Lease Agreement dated as of April 1, 1988, (the "Agreement"), between The David J. Joseph Company as Lessor and Canadian Pacific Limited as Lessee. This Equipment Schedule is hereby made a part of and incorporated in the Agreement. The Agreement is hereby amended, modified and supplemented by the addition of the provisions set forth below. In the event of any conflict between any of the provisions of this Equipment Schedule and the provisions of the Agreement, the provisions of this Equipment Schedule shall control. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Agreement.

Description of Cars:	50'6", 70-ton Plate "B" boxcars
Door Opening Width:	10'0" non-flush doors
Overall Length:	55'3" (34) and 55'7"(40)
Inside Length:	50'6"
Inside Width (Min.)	9'6"
Inside Height (Min.)	10'7"
AAR Car Code:	XF (34) and XP(40)
Cubic Capacity	5,037 cu. ft. (34) and 5,080 cu. ft. (40)
Number of Cars:	74
Reporting Marks:	QC 210540-210573 and QC 210735-210774
COMMENCEMENT DATE:	March 1, 1989
EXPIRATION DATE:	August 31, 1996
BASE RENT:	U.S. \$
MAINTENANCE FACTOR:	U.S. \$'
MAXIMUM MILEAGE:	25,000
PER MILE RATE:	U.S. \$
IMPROVEMENT RENTAL:	\$
USER MAINTENANCE ITEMS:	Doors, doorway areas and door hardware.
SERVICE:	See Additional Provisions.
REGION:	To be designated by Lessor.

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ADDITIONAL PROVISIONS

Lessee agrees to use its best efforts to cause the Cars to be used in international service predominately in the United States during the entire term of this Equipment Schedule No. 5.

In the event any Car described on this Equipment Schedule No. 5 is in need of repairs of the type described in paragraph 1 of AAR Rule 108 as written in the 1988 Field Manual of the AAR Interchange Rules (hereinafter "Rule 108"), Lessee shall promptly notify Lessor of the need for such repairs (such repairs being hereinafter referred to as "Bad Order Repairs"), which notice shall be accompanied by all estimates, lists, certificates and other information described in paragraph 2 of Rule 108 (hereinafter the "Bad Order Information"). If the Bad Order Information sent by Lessee to Lessor is accurate and complete in all respects, and if neither Lessee nor any third party is responsible for making the Bad Order Repairs, Lessor agrees that rental payable with respect to any Car undergoing Bad Order Repairs shall be deferred for a period of time commencing on the 30th day following the date upon which such Car was delivered to, and accepted by, a repair facility for completion of the Bad Order Repairs and ending on the date such repair facility completes the Bad Order Repairs on the Car; provided, however, that at Lessor's option, the Expiration Date set forth on page 1 of this Equipment Schedule No. 5 shall be extended by a number of days equal to the quotient (rounded up to the nearest whole number) obtained by dividing (a) the aggregate number of days during the term of this Equipment Schedule No. 5 for which rent was deferred for any Car pursuant to this paragraph, by (b) the total number of Cars leased by Lessor to Lessee pursuant to this Equipment Schedule No. 5 which have not suffered a Casualty Occurrence as of the date set forth herein as the Expiration Date of the term. Lessor may exercise its option to extend the Expiration Date of the term of the Lease of the Cars described on this Equipment Schedule No. 5 by giving Lessee written notice of its intention to do so at any time on or before the date set forth herein as the Expiration Date of the term.

Lessee certifies that all representations and warranties of Lessee in the Agreement are true on the date hereof as though such representations and warranties were made on the date hereof.

Lessee shall have the option to extend the term of this Equipment Schedule No. 5 for a mutually agreed upon period of time at a Base Rental and Maintenance Factor to be mutually agreed upon by Lessee and Lessor.

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IN WITNESS WHEREOF, the parties hereto have executed this Equipment Schedule as of the 28 day of December, 1988.

Signed and Acknowledged in the presence of:

[Signature]

CANADIAN PACIFIC LIMITED

BY: [Signature]

Title: Vice-President

[Signature]
ASSISTANT SECRETARY

THE DAVID J. JOSEPH COMPANY

Signed and Acknowledged in the presence of:

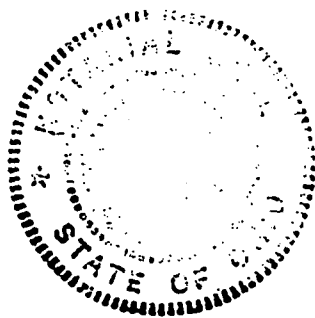
[Signature]
[Signature]

BY: [Signature]

Title: CHAIRMAN

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this 29th day of December, 1988, before me personally appeared James R. Bruth, to me personally known, who being by me duly sworn says that such person is Chairman of The David J. Joseph Company, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

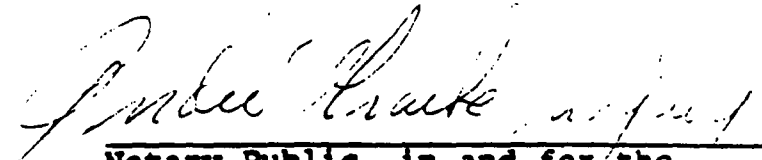
SANDRA L. REUTER
Notary Public, State of Ohio
My Commission Expires Nov. 18, 1990

SANDRA L. REUTER
Notary Public, Ohio
My Commission Expires Nov. 18, 1990

PB

PROVINCE OF QUEBEC)
) ss:
COUNTY OF HOCHELAGA)

On this 28th day of December, 1988, before me personally appeared Paul Bernadet, to me personally known, who being by me duly sworn says that such person is Asst. Secretary of Canadian Pacific Limited, that the foregoing Equipment Schedule was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public, in and for the
Province of Quebec, Canada.
My commission is for life.